



STEVE COOLEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

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18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER  
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

April 10, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO APPLY FOR 2<sup>nd</sup> YEAR GRANT  
FUNDING FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE  
(SCDI) FOR THE LIFE AND ANNUITY CONSUMER PROTECTION PROGRAM  
FOR FISCAL YEAR (FY) 2007-08  
(ALL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

- 1) Authorize the District Attorney to submit a grant application to the California Department of Insurance (CDI) for the Life and Annuity Consumer Protection Program (LACPP) in the amount of \$200,000 for the period of July 1, 2007 through June 30, 2008. There is no required County match for this grant.
- 2) Adopt the attached Resolution authorizing the Los Angeles County District Attorney to submit an application for grant funding and, as an agent for the County, to accept and execute a grant award agreement from the CDI in the event the proposal is selected for funding. This also includes authorization to approve any extensions or amendments to the grant award that do not increase net County cost.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The LACPP was established through AB 2316 and went into effect in January 2005 as California Insurance Code Section 10127.17. The LACPP establishes a fund to be used exclusively for protecting consumers of life insurance and annuity products in the State of California, by both the CDI and local District Attorneys.

The CDI awarded the District Attorney's Office \$200,000 in FY 2006-07 for the first year of the LACPP. Grant funds will be utilized to vertically prosecute Annuity and Life Insurance Fraud cases. One Deputy District Attorney (DDA) will be dedicated to handle these cases and to work closely with CDI Investigations Division. The DDA will conduct community outreach to elders, their families and caregivers to increase public awareness in order to help prevent these crimes and reduce the number of victims.

An executed Resolution is required by CDI as part of the grant application.

#### **Implementation of Strategic Plan Goals**

Authorizing the District Attorney to apply for LACPP grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, through the maximization of revenues to offset program costs.

#### **FISCAL IMPACT/FINANCING**

This is the second year of a two-year funding cycle. It is anticipated that the District Attorney's Office will receive \$200,000 for the 07-08 fiscal year. Should the District Attorney receive a grant award, it is estimated that program costs would be fully offset. There is no net County cost associated with this program.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The funds for the LACPP are generated by a \$1 fee assessed on all new individual life and annuity products sold to California residents beginning January 1, 2005. The fee is assessed on policies with a value of \$15,000 or more. The assessment for the first year totaled approximately one million dollars. The LACPP allows 50% of the funds to be distributed to District Attorneys.

Under the direction of the Insurance Commissioner, the CDI administers the LACPP and the distribution of funds to district attorneys for the investigation and prosecution of life insurance and annuity financial abuse by insurance licensees or persons holding themselves out to be insurance licensees, or any person purporting to be engaged in the business of insurance.

The Resolution has been approved as to form by County Counsel.

The Honorable Board of Supervisors  
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**IMPACT ON CURRENT SERVICES**

If the District Attorney's Office is awarded grant funding, it will not propose any attorney staff augmentation. Therefore, the District Attorney's Office will not be subject to the Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Department.

**CONCLUSION**

Following Board approval, the Executive Officer-Clerk of the Board is requested to have one copy of the adopted Board letter and two (2) copies of the executed Resolution, containing original signatures, available for pick up. Please call Ms. Emily Aidells at (213) 202-7674 or Ms. Corina Calixto at 213-202-7653, when the documents are available.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Cooley", with a large, stylized loop at the end.

STEVE COOLEY  
District Attorney

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Enclosure

c: Chief Administrative Officer  
County Counsel



1                                    **BOARD OF SUPERVISORS**  
2                                    **COUNTY OF LOS ANGELES**  
3                                    **RESOLUTION**

4 Authorizing the District Attorney to submit a Life and Annuity Consumer  
5 Protection Program grant application to the California Department of  
6 Insurance and execute the Grant Award Agreement should an award be  
7 granted.

8            **WHEREAS**, the County of Los Angeles Board of Supervisors desires to  
9 undertake a certain program designated Life and Annuity Consumer  
10 Protection Program to be funded in part from funds made available through  
11 Life and Annuity Consumer Protection Program – Section 10127.17 CIC and  
12 administered by the California Department of Insurance.

13            **NOW, THEREFORE, BE IT RESOLVED**, that the District Attorney of the  
14 County of Los Angeles is authorized, on its behalf to submit an application to  
15 the California Department of Insurance and is authorized to execute on  
16 behalf of the Board of Supervisors the Grant Award Agreement including any  
17 extensions or amendments thereof.

18            **BE IT FURTHER RESOLVED** that the grant funds received hereunder  
19 shall not be used to supplant expenditures previously authorized or controlled  
20 by this body.

21            I hereby certify that the foregoing is a true copy of the resolution  
22 adopted by the Board of Supervisors of the County of Los Angeles in a  
23 meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 2007 by the  
24 following:

25            Vote

26            Ayes:

             Noes:

             Absent:

             ///

             ///

1  
2 **IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the  
3 seal of the Board of Supervisors of the County of Los Angeles this \_\_\_\_\_  
4 day of \_\_\_\_\_, 2007.

5 County of Los Angeles

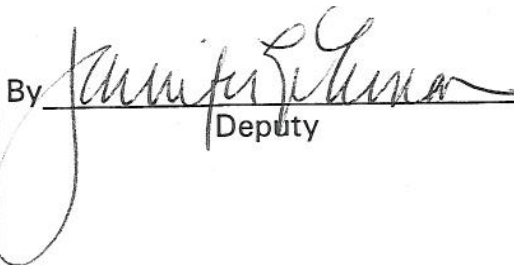
6  
7 By \_\_\_\_\_  
8 Chair, Board of Supervisors

9 SACHI A. HAMAI  
10 Executive Officer-Clerk of the  
11 Board of Supervisors of the  
12 County of Los Angeles

13 By \_\_\_\_\_  
14 Deputy

15  
16 APPROVED AS TO FORM  
17 BY COUNTY COUNSEL:

18 RAYMOND G. FORTNER, JR.

19 By  \_\_\_\_\_  
20 Deputy

**Los Angeles County Chief Administrative Office  
Grant Management Statement for Grants Exceeding \$100,000**

**Department: District Attorney**

**Grant Project Title and Description: Life and Annuity Consumer Protection Program**

The objective of this program is to enhance the criminal investigation and prosecution of life insurance and annuity financial abuse by insurance licensees or persons holding themselves out to be insurance licensees, or any person purporting to be engaged in the business of insurance in Los Angeles County. These grant funds will allow the District Attorney's Office to successfully implement this program through collaborative efforts with the State of California, Department of Insurance (SCDI), and local law enforcement agencies.

**Funding Agency**  
California Department of Insurance

**Program (Fed. Grant # /State Bill or Code #)**  
California Insurance Code Section  
10127.17

**Grant Acceptance Deadline**

**Total Amount of Grant Funding:** \$200,000\*  
**Grant Period:** FY2007-2008    **Begin Date:** July 1, 2007  
**Number of Personnel Hired Under This Grant:**

**County Match:** \$0  
**End Date:** June 30, 2008  
**Full Time:** 1    **Part Time:**

\*Anticipated grant award.

**Obligations Imposed on the County When the Grant Expires**

Will all personnel hired for this program be informed this is a grant-funded program?    Yes ☒    No ☐

Will all personnel hired for this program be placed on temporary ("N") items?    Yes ☒    No ☐

Is the County obligated to continue this program after the grant expires?    Yes ☐    No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services    Yes ☐    No ☒

b). Identify other revenue sources  
(Describe) \_\_\_\_\_    Yes ☐    No ☒

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant.    Yes ☒    No ☐

**Impact of additional personnel on existing space:** None

**Other requirements not mentioned above:** None

**Department Head Signature**

*S. L. Carr*

**Date** 3/28/07